

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

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APR 14 2013

Oil Conservation Division

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE ENGINEERING BUREAU CHIEF, FOR AMENDMENT OF
RULE 705 [COMMENCEMENT, DISCONTINUANCE, AND ABANDONMENT
OF INJECTION OPERATIONS].

CASE NO. 13068

APPLICATION FOR AMENDMENT OF RULE 705

1. Rule 705 [19.15.9.705 NMAC] is the rule that presently provides for temporary abandonment of permitted injection wells.
2. Rule 705 requires that, in the absence of a specific exception granted by the Oil Conservations Division ("the Division"), no injection well may be temporarily abandoned for a period exceeding one year unless the injection interval has been isolated by use of cement or a bridge plug.
3. This provision of Rule 705 conflicts with Rule 203 [19.15.4.203 NMAC], applicable to temporary abandonment of wells generally, which allows an alternative means of testing mechanical integrity by means of a retrievable bridge plug or packer.
4. The Division proposes to amend Rule 705 to conform the requirements for temporary abandonment of injection wells to those for temporary abandonment of production wells as set forth in Rule 203. The text of the proposed amendment is attached to this Application as Exhibit A.

WHEREFORE, the Engineering Bureau Chief of the Division hereby applies to the Commission to enter an order:

- A. Adopting amended Rule 705 as set forth in Exhibit A hereto.
- B. Granting such other and further relief as the Commission deems appropriate.

RESPECTFULLY SUBMITTED,



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EXHIBIT A to APPLICATION for Amendment of Rule 705

19.15.9.705 COMMENCEMENT, DISCONTINUANCE, AND ABANDONMENT OF INJECTION OPERATIONS

A. The following provisions apply to all injection projects, storage projects, salt water disposal wells and special purpose injection wells:

B. Notice of Commencement and Discontinuance

- (1) Immediately upon the commencement of injection operations in any well, the operator shall notify the Division of the date such operations began.
- (2) Within 30 days after permanent cessation of gas or liquefied petroleum gas storage operations or within 30 days after discontinuance of injection operations into any other well, the operator shall notify the Division of the date of such discontinuance and the reasons therefor. ~~No injection well may be temporarily abandoned for a period exceeding one year unless the injection interval has been isolated by use of cement or a bridge plug. The Director of the Division may delay the cement or bridge plug requirements above upon a demonstration that there is a continuing need for such a well, that the well exhibits mechanical integrity, and that continued temporary abandonment will not endanger underground sources of drinking water.~~
- (3) Before any injection well is temporarily abandoned or plugged, the operator shall obtain approval ~~for the well's plugging program~~ from the appropriate District Office of the Division in the same manner as when temporarily abandoning or plugging oil and gas wells or dry holes.

C. Abandonment of Injection Operations

- (1) Whenever there is a continuous one year period of non-injection into any injection project, storage project, salt water disposal well, or special purpose injection well, such project or well shall be considered abandoned, and the authority for injection shall automatically terminate ipso facto.
- (2) For good cause shown, the Division Director may grant an administrative extension or extensions of injection authority as an exception to Subsection C, Paragraph (1) above of 19.15.9.705 NMAC.

Case No. 13068 : **APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION, THROUGH THE ENGINEERING BUREAU CHIEF, FOR AMENDMENT OF RULE 705 [COMMENCEMENT, DISCONTINUANCE, AND ABANDONMENT OF INJECTION OPERATIONS].**

The New Mexico Oil Conservation Division applies to the Oil Conservation Commission to amend present Rule 705 [19.15.9.705] to repeal the requirement that no injection well may be temporarily abandoned for a period exceeding one year unless the injection interval has been isolated by use of cement or a bridge plug, and to conform the requirements for temporary abandonment of injection wells to those for temporary abandonment of production wells as set forth in Rule 203. The text of the proposed amendment is available for public review in the Division's Santa Fe office during regular business hours. The rule and the amendment are also posted on the Division's website at <http://www.emnrd.state.nm.us/oed/whatsnew.htm>. The application of the proposed rule amendments is STATEWIDE.

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